



Congress of the United States
House of Representatives
Washington, DC 20515-3102

April 14, 2010

The Honorable Ron Kirk
United States Trade Representative
Office of the President
600 17th Street, NW
Washington, DC 20508

Dear Ambassador Kirk:

Thank you for your willingness to meet with me today. In light of the recent notification that President Obama intends to proceed with negotiations to create the Trans-Pacific Partnership Agreement, I commend you for your commitment to consulting closely with Congress as this trade agreement moves forward. Such discussions, held early and often, are critical to ensuring that the final outcome reflects the concerns my colleagues and I have about the particulars of this new undertaking.

With that in mind, I would like to highlight my strong concerns about how the U.S.-New Zealand dairy trade in the Trans-Pacific Partnership could negatively impact New Mexico's dairy industry and its many supporting sectors within the state.

New Zealand has an extremely high degree of concentration in their dairy industry. One company holds control of 92% of milk production. Given this situation of strength in its domestic market, this one company has been able to leverage that advantage into control of more than 40% of global dairy trade.

If U.S.-New Zealand dairy trade is included in the TPP, all of the benefits of that trade relationship would accrue to New Zealand's dairy industry. In exchange, America's dairy producers and processors would face tremendous pressure and job losses, resulting in losses of billions of dollars to the U.S. dairy sector and supporting businesses. To further worsen this situation, our dairy exporters do not even have the prospect of focusing on other significant new opportunities that the agreement would open up given that most other TPP participants are already U.S. FTA partners or else have relatively limited tariffs and offer only small additional market opportunities.

DISTRICT OFFICES:

200 EAST BROADWAY, SUITE 200
HOBBS, NM 88240
PHONE: (575) 393-0510
FAX: (575) 393-0026

3445 LAMBROS LOOP NE
LOS LUNAS, NM 87031
PHONE: (505) 865-7802
FAX: (505) 865-7844

135 WEST GRIGGS AVENUE
LAS CRUCES, NM 88001
PHONE: (575) 522-3908
FAX: (575) 523-8799

102 EAST 4TH STREET
ROSWELL, NM 88201
PHONE: (575) 622-4178
FAX: (575) 622-4583

111 SCHOOL OF MINES ROAD
SOCORRO, NM 87801
PHONE: (575) 835-8719
FAX: (575) 835-8931

TOLL FREE: 1-888-9TEAGUE

PRINTED ON RECYCLED PAPER

As the representative of a major dairy producing state, I believe that any trade agreement with New Zealand should take these factors into account. Especially given that the US dairy industry is currently facing a protracted pricing crisis, an improperly crafted deal could deal a severe blow to the industry. I am especially concerned about the long-term national security implications of losing our ability to produce food here at home. We cannot outsource our dairy production to the lowest global bidder without risking the safety of our health and our local economies.

I greatly appreciate your commitment to working with those of us who have a strong interest in the TPP negotiations. I look forward to further discussions with you and your staff about this agreement.

Sincerely,



Harry Teague
Member of Congress